



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0064	<b>Title:</b>	Repeal termination on coal trust funding for economic development programs
<b>Primary Sponsor:</b>	Jones, Llew	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$6,065,000	\$6,065,000	\$6,065,000
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>(\$6,065,000)</u>	<u>(\$6,065,000)</u>	<u>(\$6,065,000)</u>

**Description of fiscal impact:** This bill extends the termination date of the allocation of interest income on the \$140 million coal severance tax fund account. This bill would increase general fund expenditures by \$6,065,000 in fiscal years 2011, 2012, and 2013.

### FISCAL ANALYSIS

#### Assumptions:

- 1) Under current law, section 15-35-108, MCA, is scheduled to expire June 30, 2010. Section 15-35-108, MCA, transfers interest income from \$140 million of the coal severance tax permanent fund from the general fund to state special revenue accounts. The revenue is distributed as follows:

Department of Agriculture

- a. \$65,000 to the Cooperative Development Center
- b. \$1.25 million for the Growth Through Agriculture program

Department of Commerce

- c. \$3.65 million to the Research and Commercialization state special revenue account
- d. \$125,000 for a Small Business Development Center
- e. \$50,000 for a Small Business Innovative Research program
- f. \$425,000 for Certified Regional Development Corporations
- g. \$200,000 for the Montana Manufacturing Extension Center at MSU – Bozeman
- h. \$300,000 for Export Trade Enhancement

Total: \$6,065,000 (total)

- 2) This bill would extend the termination date of section 15-35-108, MCA, to June 30, 2019
- 3) If the code remains expired, the revenue would go to the general fund.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	0.00	11.00	11.00	11.00
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$622,839	\$622,839	\$622,839
Operating Expenses	\$0	\$716,926	\$716,926	\$716,926
Grants	\$0	\$4,725,235	\$4,725,235	\$4,725,235
<b>TOTAL Expenditures</b>	<u>\$0</u>	<u>\$6,065,000</u>	<u>\$6,065,000</u>	<u>\$6,065,000</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$6,065,000	\$6,065,000	\$6,065,000
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$6,065,000</u>	<u>\$6,065,000</u>	<u>\$6,065,000</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	(\$6,065,000)	(\$6,065,000)	(\$6,065,000)

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*Sponsor's Initials*


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*Date*


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*Budget Director's Initials*


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*Date*